

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 434 - SB 518**

February 26, 2015

**SUMMARY OF BILL:** Requires the inclusion of students with intellectual disabilities and who are educated in comprehensive development classrooms to be included in the graduation rate for the class in which they entered high school.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Potential loss of federal funding to state and local governments of unknown amounts. Otherwise, any increase in state or local expenditures for implementation is estimated to be not significant.**

Assumptions:

- The Department of Education will include these students in the regular four-year or extended year cohort graduation rate in the normal course of such calculations without an increase in personnel or a reduction in the Department's reversion.
- It is unknown if Tennessee would need to apply for and would receive a waiver from the federal government to include students with intellectual disabilities in the regular four-year or extended year cohort graduation rate.
- To the extent federal funding is not withheld as a result of the state including students with intellectual disabilities in the regular four-year or extended-year cohort graduation rate, the fiscal impact is not significant. To the extent federal funding is withheld as a result of including these students in the four-year or extended-year cohort graduation rate, state and local government will experience a loss in federal revenue and a like increase in state and local expenditures to continue operations formerly funded by federal revenue.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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